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(15)



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington D C 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dexin International, Inc.
100 W. Citrus Avenue, Suite 215
West Covina, California 91791

Attention: Siming Li
President

Dear Mr. Li:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Dexin International, Inc. (Dexin) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).²

Facts constituting violations:

Charges 1-4

On two separate occasions, on or about December 20, 1994 and on or about February 22, 1995, Dexin exported from the United States to the People's Republic of China (PRC), U.S.-origin Probeye Model 7300 Thermal Video Systems without obtaining from BXA the validated export licenses that Dexin knew or had reason to know were required by Section 772.1(b) of the former Regulations.

¹ The alleged violations occurred in 1994 and 1995. The Regulations governing the violations at issue are found in the 1994 and 1995 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)) and August 10, 1999 (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).



BXA alleges that, by exporting U.S.-origin commodities to any person or to any destination in violation of or contrary to the provisions of the Act or any regulation, order or license issued thereunder, Dexin violated Section 787.6 of the former Regulations. BXA also alleges that, by selling, transferring, or forwarding commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act, or any regulation, order or license issued thereunder occurred, was about to occur, or was intended to occur with respect to the shipment, Dexin violated Section 787.4(a) of the former Regulations.

Charge 5

In connection with the December 20, 1994 export, Dexin prepared a Shipper's Export Declaration, defined as an export control document in Section 770.2 of the former Regulations, representing that a Probeye Model 7300 Thermal Video System was eligible for export to the PRC under general license G-DEST. In fact, the item required a validated license for export to the PRC. BXA alleges that, by making a false or misleading representation of material fact directly or indirectly to a United States government agency in connection with the preparation, submission or use of an export control document, Dexin violated Section 787.5(a) of the former Regulations.

BXA alleges that Dexin committed two violations of Section 787.4(a), one violation of Section 787.5(a) and two violations of Section 787.6 of the former Regulations, for a total of five violations.

Accordingly, Dexin is hereby notified that an administrative proceeding is instituted against it pursuant to **Section 13(c) of the Act and Part 766 of the Regulations** for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

- a. The maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice before BXA (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Dexin fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7. Dexin

is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a consent settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Dexin's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Dexin's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Laird M. Street, Esq." below the address. Mr. Street may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark 3. Menefee
Director
Office of Export Enforcement

Enclosure

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)

DEXIN INTERNATIONAL, INC.)
100 W. Citrus Avenue, Suite 215)
West Covina, California 91791,)

Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between Dexin International, Inc. and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act).²

¹ The alleged violations occurred in 1994 and 1995. The Regulations governing the violations at issue are found in the 1994 and 1995 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

² The Act **expired** on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)) August 3, 1998 (3 C.F.R., 1998 Comp. 294 (1999)) and August 10, 1999) (3 C.F.R.

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Dexin International, Inc. of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations, based on allegations that:

1. On two separate occasions, on or about December 20, 1994 and on or about February 22, 1995, Dexin International, Inc. exported from the United States to the People's Republic of China (PRC) U.S.-origin Probeye Model 7300 Thermal Videc Systems without obtaining from BXA the validated export licenses that Dexin International, Inc. knew or had reason to know were required by Section 772.1(b) of the former Regulations, in violation of Sections 787.4(a) and 787.6 of the former Regulations; and

2. In connection with the December 20, 1994 export, Dexin International, Inc. made a false or misleading representation of material fact to a United States agency on an export control document, in violation of Section 787.5(a) of the former Regulations;

WHEREAS, Dexin International, Inc. has reviewed the proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if

1999 Comp. 302 (2000)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

the allegations are found to be true; it fully understands the terms of this Settlement Agreement and the proposed Order; it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Dexin International, Inc. neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Dexin International, Inc. wishes to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Dexin International, Inc. agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, Dexin International, Inc. and BXA agree as follows:

1. BXA has jurisdiction over Dexin International, Inc. under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.

2. BXA and Dexin International, Inc. agree that the following sanction shall be imposed against Dexin International, Inc. in complete settlement of all alleged violations of the Act and former Regulations arising out of the transactions set forth in the proposed Charging Letter:

- a. Dexin International, Inc. shall be assessed a civil penalty of \$50,000, \$15,000 of which shall be paid to the U.S. Department of Commerce in accordance with the following schedule: Dexin International, Inc. shall pay \$5,000 of the civil penalty within 30 days of the date of entry of an appropriate Order; \$5,000 within six months of the date of entry of an appropriate Order; and \$5,000 within one year of the date of entry of an appropriate Order. Payment of the remaining \$35,000 shall be suspended for a period of one year from the date of entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, Dexin International, Inc. has committed no violation of the Act, or any regulation, order, or license issued thereunder.
- b. As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Dexin International, Inc. Failure to make timely payment of the civil penalty shall result in the denial of all of Dexin International, Inc. 's export privileges for a period of

one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Dexin International, Inc. agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Dexin International, Inc. in connection with any violation of the Act or the former Regulations arising out of the transactions identified in the proposed Charging Letter.

5. Dexin International, Inc. understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6 BXA and Dexin International, Inc. agree that this Settlement Agreement is for settlement purposes only. Therefore,


if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.13(a) of the Regulations, BXA and Dexin International, Inc. agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same

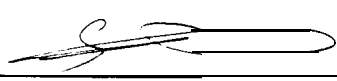
force and effect as a decision and Order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE



Mark D. Menefee
Director
Office of Export Enforcement

DEXIN INTERNATIONAL, INC



Siming Li
President

Date: 7/18/00

Date: 7/7/00

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)

DEXIN INTERNATIONAL, INC.)
100 W. Citrus Avenue, Suite 215)
West Covina, California 91791,)

Respondent

ORDER.

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Dexin International, Inc. of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act),¹ and the Export Administration Regulations (15 C.F.R. Parts 730-774 (1999)) (the Regulations),² based on allegations that:

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)) and August 10, 1999 (3 C.F.R. 1999 Comp. 302 (2000)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

The alleged violations occurred in 1994 and 1995. The Regulations governing the violations at issue are found in the 1994 and 1995 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the

1. On two separate occasions, on or about December 20, 1994 and on or about February 22, 1995, Dexin International, Inc. exported from the United States to the People's Republic of China (PRC) U.S.-origin Probeye Model 7300 Thermal Video Systems without obtaining from BXA the validated export licenses that Dexin International, Inc. knew or had reason to know were required by Section 772.1(b) of the former Regulations, in violation of Sections 787.4(a) and 787.6 of the former Regulations; and

2. In connection with the December 20, 1994 export, Dexin International, Inc. made a false or misleading representation of material fact to a United States agency on an export control document, in violation of Section 787.5(a) of the former Regulations;

BXA and Dexin International, Inc. having entered into a Settlement Agreement pursuant to Section 766.13(a) of the Regulations whereby BXA and Dexin International, Inc. have agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED,

FIRST, Dexin International, Inc. shall be assessed a civil

Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

penalty of \$50,000, \$15,000 of which shall be paid to the U.S. Department of Commerce in accordance with the following schedule: Dexin International, Inc. shall pay \$5,000 of the civil penalty within 30 days of the date of entry of this Order; \$5,000 within six months of the date of entry of this Order; and \$5,000 within one year of the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$35,000 shall be suspended for a period of one year from the date of entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, Dexin International, Inc. has committed no violation of the Act, or any regulation, order, or license issued thereunder.

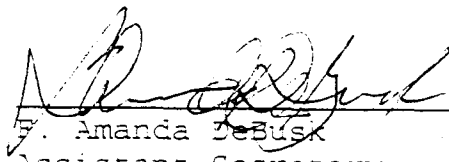
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if timely payment is not made, Dexin International, Inc. will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, as authorized by Section 11(d) of the Act, the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or

privilege granted, or to be granted, to Dexin International, Inc. Accordingly, if Dexin International, Inc. should fail to pay the civil penalty in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Dexin International, Inc.'s export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public.

This Order is effective immediately.


F. Amanda DeBusk
Assistant Secretary
for Export Enforcement

Entered this 15th day of Aug, 2000.

UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:

August 18, 2000

www.bxa.doc

contact:

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COMMERCE REACHES SETTLEMENT **WITH DEXIN** INTERNATIONAL, INC. **FOR ILLEGAL** EXPORTS TO **CHINA**

WASHINGTON -- **Commerce** Assistant **Secretary** of **Export** Enforcement F. **Amanda DeBusk** today announced that the Department has imposed a \$50,000 **penalty** on Dexin International, Inc., of **West Covina, CA**, for **alleged** violations of **the Export** Administration Regulations (EAR) involving shipments to China

The Department alleged that on two **separate** occasions in 1994 and **1995**, *Dexin* International, Inc., exported thermal **video** systems to China without obtaining the export licenses it knew or had reason to **know** were **required under the** EAR. **Commerce** *also alleged that the company made a false and misleading statement of material fact on a Shipper's Export Declaration filed with the U.S. government in connection with one export.*

Dexin **International, Inc.**, agreed to pay the **penalty** to **settle the** charges. The **Department** suspended payment of \$35,000 of the **civil** penalty for one year. It will **then** be waived as long as the company does not violate **the** EAR. The company neither **admitted** not denied **the** allegations.

The Department of Commerce, through its Bureau of Export **Administration**, **administers** and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as **well as administrative** sanctions, can **be imposed** for **violations** of the **regulations**.